

Review of MPSC Implementation of MTA as amended in 2005

MPSC Presentation to the Senate Energy and Technology Committee

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Agenda

- Implementation of 2005 MTA Amendments
- Comments on the current MTA
- MPSC as a resource

Primary Basic Local Exchange Service (PBLES)

- April 1, 2006 PBLES rates went into effect after Staff review.
- 96 providers have a PBLES rate on file with the MPSC.
- Average of filed PBLES rates is \$21.58
- Most PBLES rates in the \$10-\$30 range.
- PBLES continues to provide a low cost option for basic telephone service.
- Only one provider has used the option for the CPI-1 rate increase.

Status of Telecommunications Competition Report

- MPSC submits the report to the appropriate legislative committees and the Governor each June.
- Data gathering for the report provides important insight into the types of competitive options available to Michigan citizens.
 - CLEC share of the wireline market peaked at 27.5% in 2004. The CLEC market share for 2009 was 24%.
 - While mobile wireless telecommunications services continue to experience growth, there are still **4 million** wirelines in the state.
- Data requested from providers is limited and not unduly burdensome as reporting requirements have been severely reduced over the years.
 - Providers do not file annual financial reports.

Quality of Service Rules

- The MPSC has had the authority to promulgate rules relating to service quality standards and, in 2005, the MPSC revised those rules which were then formally adopted.
- In 2007, certain of these rules were revised.
- In 2008, the MPSC issued rules relating to the transfer of a license of a provider that declares bankruptcy.
- In 2010, the MPSC issued rules for local interconnection services between providers and for the migration of a customer from one provider to another.
- In 2010, the MPSC began the process of re-promulgating service quality rules.
 - These rules are currently pending in the rulemaking administrative process.

Other MPSC Actions Resulting from the 2005 MTA Amendments

- Established the Intrastate Telecommunications Service Provider Registry (ITSP) for providers using new or emerging technologies.
- On March 14, 2006, issued an order designating Michigan 2-1-1 as the statewide coordinating agency for 2-1-1 services.
- Report on VNXX (Virtual NXX is the assignment of a telephone number to an entity that is not physically located in the exchange to which the telephone number is assigned) issued June 30, 2006.
- Status of Interconnection of Telecommunications Providers report issued December 29, 2006
- EUCL and intrastate SLC eliminated June 1, 2007
- Michigan Telecommunications Relay Service Advisory Board Report to Legislature issued December 28, 2007
 - Board abolished by Executive Order 2009-50

Comments on the Current MTA: What's Working

- All Michigan citizens have a low cost option (PBLES) for basic telecommunications service.
- Michigan telecommunications customers can contact the MPSC for help in resolving telecommunications complaints: In 2010, the MPSC handled 1,989 telecommunications complaints.
 - **74%** of these complaints were related to regulated issues.
 - 26% related to unregulated issues (VoIP, wireless, etc.). For these complaints the MPSC works informally to make a provider aware of the complaint, directs complainants to their provider, or directs complainants to the Federal Communications Commission.

Comments on the Current MTA: What's Working

- The MPSC handles formal provider-to-provider complaints.
 - 28 provider-to-provider complaints filed since 01/01/06.
- Pursuant to the Federal Telecommunications Act, the MPSC handles interconnection disputes through arbitrations.
 - 11 arbitration proceedings filed since 01/01/06.
- Rates for network elements determined by TSLRIC/TELRIC studies.
 - 28 TSLRIC studies completed to-date since 01/01/06.
- In 2008 the December 31, 2009 sunset date for the Act was eliminated.

MPSC as a Resource

- The MPSC and the Telecommunications Division work directly with telecommunications providers and telecommunications customers. As the expert agency on telecommunications, please contact us with questions, concerns, or requests for data. We are here to provide you with any information we have available and/or to provide research on topics affecting Michigan telecommunications policy.

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